

Room 1133
HOUSE OFFICE BUILDING

RHODE ISLAND OFFICE:
200 CUSTOMHOUSE BLDG.
PROVIDENCE 3, R. I.

Congress of the United States
House of Representatives
Washington, D. C.

October 23, 1957

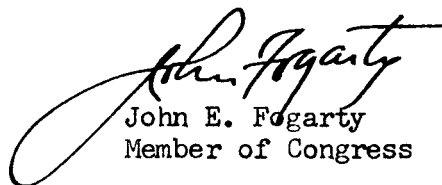
Dear Friend:

A few weeks ago I had the happy privilege of addressing the annual convention of the American Hospital Association at Atlantic City, N.J. Knowing of your close affiliation with and interest in the field of hospital administration, I thought you might like to have the enclosed copy of the speech I made on that occasion.

I'd be pleased to have any comments you might care to make after you have had the opportunity of reviewing my remarks.

With kindest regards, I am

Very sincerely yours,



John E. Fogarty
Member of Congress

T H E A M E R I C A N H O S P I T A L A S S O C I A T I O N

On The Occasion Of Its

5 9th A N N U A L C O N V E N T I O N

ELECTS

T H E H O N O R A B L E J O H N E. F O G A R T Y

M E M B E R O F C O N G R E S S

T O H O N O R A R Y M E M B E R S H I P

In Recognition Of His Outstanding Efforts Toward

The Improvement Of The Nation's Health

ATLANTIC CITY, N.J.

OCTOBER 2, 1957

REMARKS OF HONORABLE JOHN E. FOGARTY, M. C.,
2nd DISTRICT OF RHODE ISLAND, AT ANNUAL CONVENTION
OF THE AMERICAN HOSPITAL ASSOCIATION IN ATLANTIC
CITY, WEDNESDAY, OCTOBER 2, 1957.

It seems to me there is a kind of poetic justice in this occasion. For many years, I have sat in Congressional hearings and listened to the testimony on health legislation proposed by the American Hospital Association and other groups in the health professions. It was very kind of you to give me the opportunity to have my hearing. I only hope you will benefit at least a fraction as much as I have been benefited by listening to you.

I was very pleased when Dr. Crosby invited me to be with you today, because I have been convinced for a long time that we need more opportunities to talk about the health problems that concern all of us. These problems are as complex as any that face us today--national or international. And the decisions we make in the months ahead may influence generations to come.

There are still a few people in our country who cling to the notion that legislation--especially Federal legislation--is something to fear. They think that as surely as day is followed by night, legislation will be followed by regulation.

I find it a little difficult to understand this attitude because I know--as you do--of some very successful programs carried on in harmonious cooperation by the Federal Government, the States and communities, national organizations, universities and others. Therefore, I have the fullest confidence that we can--as we have before--work out the means by which the Federal Government can serve the best interests of all the people, without trespassing upon their rights, weakening their initiative or diminishing their authority. Again and again, we have demonstrated that our Government is truly the instrument of the people.

During my sixteen years in Congress, as a representative of the people of Rhode Island, health legislation has been one of my major interests. As Chairman of the sub-committee in the House of Representatives which considers appropriations for the Department of Health, Education, and Welfare, it has been my honor to give some leadership in providing the Federal support, in maintaining the State and local rights and responsibilities, which our national health programs must have if we are to advance the conquest of disease.

During the years of my membership on this Committee, some of the greatest advances in medical history have been made, and I have heard it said that the past decade has seen more medical research and public health progress than any comparable period in all the history of our country.

Last year, the Washington Report on the Medical Sciences, an impartial and non-partisan publication, commended our legislative endeavors saying that

" . . . strong Congressional leadership . . . steered the bills through, shaping and reshaping them to meet practical requirements and seeing to it that ample funds to implement new laws were provided."

It has given me great pride to have a share in this. You may be sure that I shall continue my devotion to further advances in health legislation.

This afternoon, I would like to discuss two basic questions that concern all of us.

First: What kinds of health services will be required of our hospitals in the years ahead, and what types of facilities must we provide to extend these services to the people.

Second: How can we finance the services and facilities we need?

Earlier this year, the late Dr. Alan Gregg issued a challenge to all of us when he said that we must make better use of the immense store of knowledge we have today to give our people the opportunity to realize "the positive goal of maintaining health" This concept of health maintenance is a blend of both preventive and curative medicine, with emphasis on prevention. I am convinced that it will be the kind of medical care practiced in the future.

In its simplest terms, preventive medical care is nothing more than using the wonderful medical knowledge we now have to prevent illness and build up our health. Pediatricians have been practicing this type of preventive medicine for years. Other branches of the medical profession have now begun to move more positively in the same direction for several reasons. First, the increasing volume of knowledge available has made it possible for the physician to give his patient more complete and more effective instructions for maintaining his health. Second, the necessarily increasing costs of medical care have given patients added incentive to guard their health. Slowly, but surely, we are coming to recognize the fact that we can have preventive medical care for a few dollars a month. If we wait until we get sick to do something about our health, it may cost us several times more per day than we would spend per month to prevent illness. In addition, illness may cut off income and disrupt family life.

But what does this trend toward preventive medical care mean to our hospitals?

I believe it is safe to predict that, within the next 25 years, virtually every general hospital in the Nation will be providing at least as much preventive service as curative service.

Many of you have already gone far in this direction. For example, you are providing equipment and services for the use of your medical staff in the early diagnosis of cancer, tuberculosis and other diseases which may bring costly, long term illness to your patients. In recognition of the fact that rehabilitation is an essential part of modern medical care, many of you are

providing these services. Others are experimenting with home care programs. More and more of you are working closer with your local health department, welfare department and similar community health services. You are, in fact, moving closer each moment to the day when hospitals will be the focal point of health services for all of us, throughout our entire lives.

I realize that progress toward more preventive hospital service is related directly to the difficult and aggravating problems that confront a hospital administrator from day to day. For example, the problems rising costs bring to your desk each day, the irksome turnover in lower-paid jobs, the constant need for more nurses, the ever-present threat of the deficit.

However, the Government is attempting to give you some help, at least in some areas. Under the Hill-Burton program, as you know, Congress has appropriated funds for research in a variety of fields related to hospital administration, such as development of a scientific personnel system, a survey to develop standard terminology in connection with blood banks, among many others equally as interesting and important.

The Public Health Service is making admirable progress in the program to help hospitals make better use of skilled nursing personnel. The Division of Nursing Resources reports that nearly 150 hospitals in 16 States have undertaken surveys to improve nursing services. The Congress also provided funds for the education of nurses who will take over administrative and teaching positions. These and other Federal programs, will, I am sure, help to ease the burdens you bear.

In view of the high purpose to which our hospitals are dedicated, it seems a shame that there isn't some easy, miraculous formula by which the problems of administration can be solved. I am quite sure that dedication to healing the ills and guarding the well-being of mankind is closer to Godliness than the virtue of cleanliness. But this nearness to Divinity enjoyed by a hospital is no substitute for good management.

We have come a long way from the old days when a cast-off mansion was considered to be a desirable place for the care of the sick. Today's complex center for medical care is designed to fit the specific services it provides to patients, as well as possible plans for expansion.

Much of this remarkable progress is due to the consistent efforts of the American Hospital Association to make our hospitals the finest in the world, and to the accreditation program which assures the highest standards of hospital care,

Another major factor is the Hill-Burton program, established by Congress in 1946 at the request of the American Hospital Association, the American Medical Association and many other organizations and agencies. I am convinced that the perseverance and vision which served the Nation so well then, will again be at our command as we plan for the future. In the 11 years of this bi-partisan, Federal, State and local program, we have developed comprehensive

plans, State by State, for the construction of health facilities. Hospital design has been advanced by two decades or more. More than 3,500 projects have been approved for construction, with most of them now completed and in operation.

It seems quite evident that the general hospitals of the future will have a far greater range of services, including expanded outpatient departments, rehabilitation facilities, and areas for the chronically ill. It seems possible that many hospitals will develop accommodations for patients who do not need the full range of hospital services. I believe the greatest change will come in the planning and administration of facilities and programs outside the hospital where medical direction is needed.

Nursing homes provide a good example. Unfortunately, we are still in the "cast-off mansion" era of nursing homes. I was shocked, as I know you were, to note that the National Fire Protection Association has declared that nursing homes are at the top of the list of unsafe places to live. In the last ten years, fifteen tragic nursing home fires have taken the lives of nearly 300 people.

We know the need for nursing homes is very great. It is estimated that at least 25 percent of the general hospital beds now occupied by patients with chronic illness could be released for other patients, if nursing homes were available. Under the Hill-Burton program 86 non-profit nursing homes have been approved for construction. Most of these are affiliated with hospitals. They are modern, safe, convenient, pleasant to live in and far less costly to build than a hospital. It is true that there are fine proprietary, voluntary non-profit and public nursing homes in the country, but the need is urgent and we must build many more as rapidly as possible. In doing this we must safeguard the future inhabitants by maintaining adequate construction standards and promoting a high level of success. On the other hand we must guard against so-called institutional atmosphere and retain as much of the home environment as possible. The facilities will be in fact the home for years of many of their guests.

The experience of this Association and its members can be of very great value, as we develop future plans for providing these facilities and others. Although they are not hospitals, they are directly related to hospital care, and your knowledge of planning and administration will be invaluable.

The Hill-Burton program has been tremendously successful in aiding the growth of health resources, but I do not think we can continue indefinitely to retain the limits of the present pattern of operation. I would urge you, therefore, to think in terms of developing new proposals to meet future needs with the aid of the basic Hill-Burton legislation.

The financing of hospital and medical care is one of the most difficult problems confronting us today. Major sources of finance will, I believe, continue to be private insurance and government.

Health services by their very nature must cost a lot of money because they often involve complex treatment which can only be administered by many

people with great skill. The value of these services to each of us is beyond reckoning. What man will place a price on the surgery that saves his life? Who will set a fair fee for the early diagnosis and treatment of malignant cancer?

The growth of health insurance in the past quarter century is the single most remarkable development in the entire field of medical economics. The American Hospital Association has earned the gratitude of the Nation for its leadership in the development of Blue Cross.

I have always felt that it would be possible for us to establish a system of health insurance with private resources, and I am tremendously pleased to note that more than 118 million persons in the country now have some form of health and medical coverage. But since this method of paying for health services has a direct bearing upon the future financing of our hospitals and upon the very health of our people, I think we cannot afford to permit ourselves to be overwhelmed with our own success. We must hold it at arm's length to see it for what it really is.

Since the time when health insurance was first proposed, we have concentrated upon its value in helping the individual to pay for certain types of medical care, most of which was unpredictable. Considerable emphasis has been given to firming up the financial soundness of this type of insurance, and rightly so. Now, it seems to me, we have reached the point where we must recognize that the ultimate success of private health insurance depends upon the quality and quantity of coverage it provides.

What good is a health insurance policy to a man with a broken back, if only a fraction of his expenses are paid, if benefits are cut off before he is out of the hospital, if his policy is cancelled? It's easy to say he gets as much as he pays for. But that argument only ignores the fundamental principles upon which health insurance must be developed and upon which its future depends.

It is essential that health insurance must be financially sound. But we must apply the principles of insurance with constant awareness of the fact that it is an instrument to protect the welfare of the individual and his family.

The physician and the hospital have played the major role in shaping health insurance for the benefit of the individual. But I would like to take this opportunity to urge you to exert your influence even more effectively in shaping the pattern of health insurance to fit the needs of the future.

One of the greatest opportunities lies in the field of protection against catastrophic illness. Insurance in this field, so far, is very limited in many ways. We know that the incidence of long-term illness with seriously crippling effects is relatively low. Still the need for protection is nation-wide. And it must be protection which is not hedged about with limitations of benefits to specific categories and cancellation clauses.

I was pleased to note that your Association is meeting with the American Medical Association and other groups to work toward increasing coverage of older

people. It seems to me that there are two practical ways to approach the problem. First, group insurance can be extended to include workers and their dependents with policies which are not subject to cancellation. Second, premiums can be increased during the more productive years to offset the increased risk of coverage after retirement.

The single greatest need is for the comprehensive one-package policy, combining both prepaid medical care and health insurance. In addition to providing greater protection, it has the very important quality of encouraging the individual to seek preventive medical care. Most of us have not yet begun to appreciate the importance of periodic health examinations and counsel with our physician to help maintain health. However, if this service can be incorporated in the average health insurance policy, we will have much more incentive to seek medical counsel with reasonable regularity.

Although the lack of actuarial data may retard the development of this kind of coverage, I believe both the insurance industry and the public will receive benefits from it which now seem almost visionary. When that day comes, health insurance will be firmly established as a reliable and predictable source of hospital income.

In discussing payment for health services by Government, I think we must recognize two basic facts:

First, it is now generally accepted that the health of our people is a major national resource and that the Government, therefore, has a direct responsibility for the health of everyone.

Second, Federal Government funds should be employed to stimulate the expenditure of funds from the States, communities, and private sources. The Hill-Burton program is an excellent example of this point. During the past eleven years, the Federal Government has appropriated a total of almost one billion dollars for this program. But the States, communities, church groups, philanthropic organizations and millions of private citizens have raised two billion dollars in matching funds to build hospitals and other health facilities.

Over the years, we have worked out a few rules of thumb for Federally financed programs that seem to be fairly durable. For one thing, we have accepted the simple fact that health is not the exclusive property of any one political party. Most of our health legislation is bi-partisan. Much of our health legislation is based on the principle that the areas in the country where the health needs of the people are greatest, receive the greatest proportion of Federal aid. I think we have also established the basic principle that no government program which provides health services or facilities for our citizens can be permitted to impair the freedom of the individual physician, nor interfere with the free choice of the patient in the selection of a physician, nor with the relationship between the patient and the physician of his choice.

When Congress convenes again in January, there will be many bills on health legislation placed in the hopper. The number seems to increase every year. One of those will be my own proposal, the Health Education Facilities Construction Act, to authorize a five-year program of grants for the construction

of medical, dental and public health education and research facilities. As I pointed out when the bill was introduced in May of this year, the shortage of health education facilities today is probably the most serious bottleneck in our whole medical system. These schools which produce the general practitioners, the specialists, and the research scientists fall far short of accommodating the fully qualified and competent young men and women in America who are anxious to train and qualify in medical, dental, and public health fields.

Both private health insurance and Federal appropriations are essential to the future of health services in our country. But the Congress cannot shape health legislation without your guidance. We must look to you, as we have in the past, for technical knowledge, for the appraisal of needs, for the creation of proposals to meet those needs. In nearly all cases, the quality of information presented by professional groups like yours, and the leadership you provide, determines the extent to which funds are made available by the Congress.

Now that we have come to give full value to the health of our people as a national resource, I think the leadership you provide in the creation of health legislation has taken on new dimensions. The responsibility that goes with such leadership demands the vision to see the future beyond the charted areas of today. It demands the courage to free ourselves from old ways of doing things because they are the comfortable and easy ways. In short, it demands the qualities of statesmanship. I believe devoutly that upon this statesmanship rests the destiny of our Nation.